

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re:	:	
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THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-3283 (LTS)
	:	
THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> ,	:	(Jointly Administered)
	:	
Debtors. ¹	:	
	:	
	X	

**RESPONSE OF OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO (I)
MOTION OF NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION FOR
ENTRY OF ORDER PURSUANT TO BANKRUPTCY RULE 2004 AUTHORIZING
DISCOVERY; (II) JOINT MOTION BY AD HOC GROUP OF GENERAL
OBLIGATION BONDHOLDERS, ASSURED GUARANTY CORP. ASSURED
GUARANTY MUNICIPAL CORP., AND MUTUAL FUND GROUP
FOR ORDER AUTHORIZING RULE 2004 EXAMINATION; AND
(III) AMBAC ASSURANCE CORPORATION’S MOTION FOR ENTRY OF
ORDER AUTHORIZING DISCOVERY UNDER BANKRUPTCY RULE 2004**

The Official Committee of Unsecured Creditors of all title III Debtors (other than COFINA) (the “Committee”) hereby submits this limited response to the: (i) *Motion of National Public Finance Guarantee Corporation For Entry of an Order Pursuant to Bankruptcy Rule 2004 Authorizing Discovery* (the “National Rule 2004 Motion”) [Docket No. 1177];² (ii) *Joint Motion by the Ad Hoc Group of General Obligation Bondholders, Assured Guaranty Corp.,*

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808), and (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284) (Last Four Digits of Federal Tax ID: 8474).

² Unless otherwise indicated, references to docket numbers shall be to the docket of the Commonwealth Title III Case.

Assured Guaranty Municipal Corp., and the Mutual Fund Group For Order Authorizing Rule 2004 Examination (the “Joint Rule 2004 Motion”) [Docket No. 1178]; and (iii) *Ambac Assurance Corporation’s Motion for Entry of Order Authorizing Discovery Under Bankruptcy Rule 2004* (“Ambac Rule 2004 Motion”) [Docket No. 1283] and respectfully represents as follows:

Background

1. The movants (the “Rule 2004 Movants”) filed the National 2004 Motion and Joint 2004 Motion on August 25, 2017 and the Ambac 2004 Motion (collectively with the National 2004 Motion and Joint 2004 Motion, the “Rule 2004 Motions”) on September 12, 2017, seeking broad discovery from the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), the Puerto Rico Fiscal and Financial Advisory Authority (known by its Spanish acronym, “AAFAF”), the Commonwealth of Puerto Rico (the “Commonwealth”) (together, the “Debtor Parties”) and other third parties regarding, among other things, the Commonwealth’s Fiscal Plan.

2. The Rule 2004 Motions were referred to Magistrate Judge Judith Gail Dein pursuant to 28 U.S.C. § 636(b) on August 28, 2017 [Docket Nos. 1183, 1186] and September 13, 2017 [Docket No. 1294].

Response

3. The Committee neither joins in nor objects to the relief sought in the Rule 2004 Motions. The Committee, through its advisors, has sought informal discovery from the Debtor Parties since its initial appointment in these title III cases. To date, limited progress has been made by the Debtor Parties with respect to such requests, but the Committee intends, at this time, to attempt to continue to work cooperatively with the Debtor Parties to receive additional information. Without a doubt, the Committee has been frustrated by its inability to obtain certain

current financial information regarding the Commonwealth and its instrumentalities -- information which is normally made available by debtors in other large bankruptcy cases. However, the Committee recognizes that some or all of the Debtor Parties have been operating in a crisis mode since at least May of this year, and that the Commonwealth does not yet have a established and centralized financial reporting department which uses integrated reporting systems. Given these factors, the Committee has determined that, at this time, continuing to work cooperatively with the Debtor Parties, with the recent involvement of the financial advisors to the court-appointed mediation team, is the appropriate way forward. The Committee will continue to reassess this position over time and expressly reserves the right to seek its own Rule 2004 motion at a later date if substantial progress is not made with respect to these issues.

4. Many of the Committee's outstanding requests relate to categories such as the Commonwealth's fiscal plan (and related 2018 fiscal budget), which is similar to what the Rule 2004 Motions are seeking. Therefore, to the extent that the Court is inclined to grant the Rule 2004 Motions, the Committee requests that it also be granted access to any documents received by the Rule 2004 Movants and the right to participate in depositions. The Committee believes that doing so would avoid duplication of efforts by the Debtor Parties.

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WHEREFORE, the Committee respectfully requests that, to the extent the Court grants the Rule 2004 Motions, the Committee be authorized to: (i) receive the documents that the respective Rule 2004 Movants receive pursuant to the Rule 2004 Motions; and (ii) be allowed to participate in the depositions of any individuals that the Rule 2004 Movants depose.

Dated: September 19, 2017
San Juan, Puerto Rico

/s/ G. Alexander Bongartz

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